

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG-RANGE PLANNING**

**Call to Order:** By **CHAIRMAN ERNEST BERGSAGEL**, on January 14, 1999  
at 8:00 A.M., in Room 317 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Ernest Bergsagel, Chairman (R)  
Sen. Tom A. Beck, Vice Chairman (R)  
Sen. J.D. Lynch (D)  
Rep. Matt McCann (D)  
Rep. Tom Zook (R)

**Members Excused:** Sen. Chuck Swysgood (R)

**Members Absent:** None.

**Staff Present:** Cassandra Drynan, Committee Secretary  
Jane Hamman, OBPP  
Pam Joehler, Legislative Branch

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: **House Bill 11** - Treasure State  
Endowment Program & **HOUSE BILL**  
**6** - Renewable Resource Grant  
Applications, 1/14/1999

Executive Action: None

#### **JOINT HEARING ON HB 11 AND HB 6 - TREASURE STATE ENDOWMENT PROGRAM & DEPARTMENT OF NATURAL RESOURCES, RENEWABLE RESOURCE GRANT APPLICATIONS**

**Mr. Jim Edgcomb**, manager of the TSEP program, passed out  
**EXHIBIT (j1h10a01)**, addressing inflation questions in the Bridges  
Financial Analysis.

**{Tape : 1; Side : A; Approx. Time Counter : 0 - 1}**

**TSEP PROJECT NO. 23 / DNRC PROJECT NO. 48 - CITY OF BIG TIMBER**

**Ms. Nancy Guccione**, with TSEP, reviewed the waste water project and the department's recommendations.

**{Tape : 1; Side : A; Approx. Time Counter : 1 - 2}**

**Mr. Bob Fischer**, with the DNRC, reviewed the project and the department's recommendation. **EXHIBIT(jlh10a02)**

**{Tape : 1; Side : A; Approx. Time Counter : 2 - 3.1}**

**Ms. Candis Steward**, City/County Planner, gave a short presentation.

**{Tape : 1; Side : A; Approx. Time Counter : 3.1 - 9.7}**

**CHAIRMAN BERGSAGEL** asked if all the permits for the mine had been obtained, what the impact fee for a new house would be, and if this fee would suffice to complete the project.

**{Tape : 1; Side : A; Approx. Time Counter : 9.8 - 12.4}**

**Mr. Patrick Murtagh**, Grant Writer and Professional Engineer, explained the project costs for Big Timber.

**{Tape : 1; Side : A; Approx. Time Counter : 11.5 - 15.6}**

**REP. MCCANN** asked the Department of Commerce how they came up with the amounts for the Community Development Block Grants, CDBG.

**Mr. Nick Rich**, with TSEP, and **Mr. Bob Fischer** answered questions.

**{Tape : 1; Side : A; Approx. Time Counter : 15.6 - 18.2}**

**SEN. BECK** asked that the projects that have multiple funding sources should somehow be guaranteed the money needed to make sure that the projects get completed. **Mr. Nick Rich** responded.

**{Tape : 1; Side : A; Approx. Time Counter : 18.2 - 20.4}**

**REP. ZOOK** asked who made the decisions on the State Revolving Funds. **Mr. Bob Fischer** responded. Discussion followed

**{Tape : 1; Side : A; Approx. Time Counter : 20.4 - 24.6}**

**TSEP PROJECT NO. 27 - CITY OF COLUMBIA FALLS**

**Mr. Jim Edgcomb** reviewed the waste water project and the department's recommendations.

**{Tape : 1; Side : A; Approx. Time Counter : 24.6 - 25.7}**

**Ms. Jennifer Krueger**, City Council Member, gave a short presentation.

**{Tape : 1; Side : A; Approx. Time Counter : 24.7 - 27.9}**

**Mr. Gary Hall**, Mayor of Columbia Falls, testified on behalf of the project.

**{Tape : 1; Side : A; Approx. Time Counter : 27.9 - 31.2}**

**Mr. Myrt Webb**, city manager, testified on behalf of the project.

**{Tape : 1; Side : A; Approx. Time Counter : 31.3 - 33.4}**

**REP. DOUG WAGNER** testified on behalf of the project. Questions were asked.

**{Tape : 1; Side : A; Approx. Time Counter : 33.4 - 36.0}**

**SEN. JOHN HARP** testified on behalf of the project.

**{Tape : 1; Side : B; Approx. Time Counter : 0.1 - 3.7}**

**CHAIRMAN BERGSAGEL** asked how much of the project was related to expansion.

**{Tape : 1; Side : B; Approx. Time Counter : 3.7 - 4.8}**

**SEN. BECK** asked if the City of Columbia Falls was eligible for a CDBG grant. Discussion followed.

**{Tape : 1; Side : B; Approx. Time Counter : 4.8 - 7.5}**

**Mr. Jim Edgcomb** noted an error in the writeup; 3,333 gallons per day instead of 333 gallons per day.

**Mr. Bob Fischer** stated that the DNRC was recommending a \$100,000 grant. Questions were asked.

**{Tape : 1; Side : B; Approx. Time Counter : 7.5 - 9.3}**

**TSEP PROJECT NO. 11 / DNRC PROJECT NO. 32 - CORVALLIS SEWER DIST.**

**Ms. Nancy Guccione** reviewed the waste water project and TSEP's recommendations.

**Mr. Bob Fischer** reviewed the project and the DNRC's recommendations.

**{Tape : 1; Side : B; Approx. Time Counter : 9.3 - 11}**

**Mr. Paul Montgomery**, Project Engineer, gave a short presentation.

**{Tape : 1; Side : B; Approx. Time Counter : 11 - 15.9}**

**Mr. Steve Wilson**, Member of the Board of Directors, testified on behalf of the project.

**{Tape : 1; Side : B; Approx. Time Counter : 15.9 - 17.7}**

**Questions & Discussion:** Discussion concerning the funding structure for the waste water project.

**Questions & Discussion:** Discussion concerning projects that were only above the funding line for one or the other of the two programs, TSEP or DNRC. It was stated that perhaps the projects should either be funded by both programs or neither program so as to facilitate the completion of projects and discourage starting a project that could not be finished.

**{Tape : 1; Side : B; Approx. Time Counter : 17.7 - 23.8}**

**Mr. Jim Edgcomb** stated that if a project lost it's TSEP funds it would probably not be completed and that if it lost it's DNRC funds it could potentially make that up in a loan. Discussion followed.

**{Tape : 1; Side : B; Approx. Time Counter : 30.5}**

**REP. ZOOK** commented that many of the people that want open space, not subdivisions, are not supportive of dealing with the infrastructure by using Coal Tax money.

**{Tape : 1; Side : B; Approx. Time Counter : 30.5 - 31.5}**

**Discussion:** It was stated that the City of Corvallis was eligible for a \$500,000 grant.

**Mr. Tom Stewart**, Vice President of the Corvallis County Sewer District, testified on behalf of the project. Questions were asked.

**{Tape : 2; Side : A; Approx. Time Counter : 0 - 0.8}**

**TSEP PROJECT NO. 14 / DNRC PROJECT NO. 11 - CITY OF CUT BANK**

**Mr. Jim Edgcomb** reviewed the water project and TSEP's recommendations.

**Mr. Bob Fischer** reviewed the project and the DNRC's recommendations.

**{Tape : 2; Side : A; Approx. Time Counter : 2.1 - 3.5}**

**Mr. Borin Laurey**, Administrative Assistant and City Superintendent of Public Works, made introductions.

**{Tape : 2; Side : A; Approx. Time Counter : 3.5 - 4.7}**

SEN. GLENN ROUSH testified on behalf of the project.

REP. CAROL JUNEAU testified on behalf of the project.

*{Tape : 2; Side : A; Approx. Time Counter : 4.8 - 8.1}*

Mr. Borin Laurey gave a thorough presentation.

*{Tape : 2; Side : A; Approx. Time Counter : 8.2 - 17.7}*

Mr. Lyle Meads, Project Engineer, gave a technical presentation **EXHIBIT**(j1h10a03). Questions were asked.

*{Tape : 2; Side : A; Approx. Time Counter : 17.7 - 26.7}*

Mr. Paul Tuss, Economic Development Director for Glacier County, Discussed the economics of Cut Bank. Questions were asked.

*{Tape : 2; Side : A; Approx. Time Counter : 26.7 - 29.6}*

Ms. Mary Phippen, resident of Cut Bank, testified on behalf of the project.

*{Tape : 2; Side : A; Approx. Time Counter : 29.7 - 32.1}*

**TSEP PROJECT NO. 29 / DNRC PROJECT NO. 26 - ELK MEADOWS WATER AND SEWER DIST.**

Ms. Nancy Guccione reviewed the water project and TSEP's recommendations.

Mr. Bob Fischer reviewed the project and the DNRC's recommendations.

*{Tape : 2; Side : B; Approx. Time Counter : 0 - 1.5}*

Mr. George Underhill, President of the Board of Directors, gave the background and went over the problems of the city's water system. He then attempted to persuade the committee to find some money for this project.

*{Tape : 2; Side : B; Approx. Time Counter : 1.6 - 22.6}*

REP. MCCANN asked what type of reserve balance they had maintained. Mr. Underhill responded.

*{Tape : 2; Side : B; Approx. Time Counter : 22.6 - 25.5}*

**TSEP PROJECT NO. 10 / DNRC PROJECT NO. 27 - CITY OF GLASGOW**

Mr. Dave Cole, with TSEP, reviewed the waste water project and TSEP's recommendations.

**Mr. Bob Fischer** reviewed the project and the DNRC's recommendations.

**{Tape : 2; Side : B; Approx. Time Counter : 25.6 - 29.1}**

**Mr. Willie Zeller**, Mayor of Glasgow, testified on behalf of the project.

**{Tape : 2; Side : B; Approx. Time Counter : 29.1 - 30.1}**

**Mr. Shaun Arthur**, with Delta Engineering, gave a technical presentation **EXHIBIT(jlh10a04)**. Questions were asked.

**{Tape : 2; Side : B; Approx. Time Counter : 30.2 - 3:A:7.9}**

**Mr. John Bengosha**, Public Work Director, gave a short presentation. Questions were asked.

**{Tape : 3; Side : A; Approx. Time Counter : 8 - 16.8}**

**REP. SAM KITZENBERG**, testified on behalf of the project.

**{Tape : 3; Side : A; Approx. Time Counter : 16.9 - 17.2}**

**TSEP PROJECT NO. 35 / DNRC PROJECT NO. 55 - CITY OF EAST HELENA**

**Mr. Jim Edgcomb** reviewed the waste water project and TSEP's recommendations.

**Mr. Bob Fischer** reviewed the project and the DNRC's recommendations.

**{Tape : 3; Side : A; Approx. Time Counter : 17.2 - 20}**

**Mr. Alden Beard**, with Robert-Petchin Associates; Civil Engineering Consultants, spoke about the new more stringent water quality standards being imposed on East Helena.

**{Tape : 3; Side : A; Approx. Time Counter : 20 - 23.2}**

**Mr. Larry Moore**, Mayor of East Helena, testified on behalf of the project. **EXHIBIT(jlh10a05)**

**{Tape : 3; Side : A; Approx. Time Counter : 23.2 - 25.9}**

**Ms. Terry Case**, Council Member for the City of East Helena, gave a short presentation and advocated the phased approach. Questions were asked.

**{Tape : 3; Side : A; Approx. Time Counter : 25.9 - 28.8}**

**TSEP PROJECT NO. 21 / DNRC PROJECT NO. 41 - CITY OF DRUMMOND**

**Ms. Nancy Guccione** reviewed the waste water project and TSEP's recommendations.

**Mr. Bob Fischer** reviewed the project and the DNRC's recommendations.

**{Tape : 3; Side : A; Approx. Time Counter : 28.9 - 31.1}**

**Mr. Paul Montgomery**, Project Engineer for the City of Drummond, gave a technical presentation. Questions were asked.

**{Tape : 3; Side : A; Approx. Time Counter : 31.1 - 3:B:5.5}**

**Ms. Betty June Bowls**, representing the Drummond Town Government, gave a short presentation.

**{Tape : 3; Side : B; Approx. Time Counter : 5.6 - 9.3}**

**Mr. Paul Montgomery** commented that this waste water system was not in compliance with the Department of Environmental Quality's standards and that the alternative that the town had chosen and the recommended alternative were of comparable cost. Questions were asked.

**{Tape : 3; Side : B; Approx. Time Counter : 9.3 - 12.5}**

**SEN. LYNCH** stated that **SEN. BEA MCCARTHY** wished to be recorded as a proponent of the project.

**SEN. BECK** inquired about the current funding line and the funding line if **SB 49** were passed. **Mr. Bob Fischer** responded. Discussion followed.

**{Tape : 3; Side : B; Approx. Time Counter : 12.5 - 16.2}**

**TSEP PROJECT NO. 13 / DNRC PROJECT NO. 18 - TOWN OF DENTON**

**Mr. Jim Edgcomb** reviewed the waste water project and TSEP's recommendations.

**Mr. Bob Fischer** reviewed the project and the DNRC's recommendations.

**{Tape : 3; Side : B; Approx. Time Counter : 16.2 - 17.2}**

**Mr. Curtis Hershberger**, Project Manager, gave a short presentation. **EXHIBIT(jlh10a06)**

**{Tape : 3; Side : B; Approx. Time Counter : 17.2 - 22.7}**

**CHAIRMAN BERGSAGEL** asked for clarification of testimony and rates.

**{Tape : 3; Side : B; Approx. Time Counter : 22.8 - 24.4}**

**REP. LARRY GRINDE** testified on behalf of the project.

**REP. BILL THOMAS** testified on behalf of the project.  
*{Tape : 3; Side : B; Approx. Time Counter : 24.5 - 27.3}*

**TSEP PROJECT NO. 40 / DNRC PROJECT NO. 56 - HOMESTEAD ACRES WATER  
& SEWER DIST.**

**Mr. Jim Edgcomb** reviewed the water project and TSEP's recommendations.

**Mr. Bob Fischer** reviewed the project and the DNRC's recommendations.  
*{Tape : 3; Side : B; Approx. Time Counter : 27.5 - 29.5}*

**Ms. Michele Marsh**, with Neil Consultants, explained that they were not looking to change the rank but that there was a real problem with the water system and they would be reapplying next session. Questions were asked.  
*{Tape : 3; Side : B; Approx. Time Counter : 29.5 - 4:A:1.5}*

**REP. MCCANN** commented that small cities needed extra help in some cases because they had not put aside an emergency reserve. Discussion followed.  
*{Tape : 4; Side : A; Approx. Time Counter : 1.5 - 6.6}*

**TSEP PROJECT NO. 28 / DNRC PROJECT NO. 49 - LACASA GRANDE WATER &  
SEWER DIST.**

**Mr. Nick Rich** reviewed the water project and TSEP'S recommendations.

**Mr. Bob Fischer** reviewed the project and the DNRC's recommendations.  
*{Tape : 4; Side : A; Approx. Time Counter : 6.7 - 9.3}*

**Mr. Randy Huffsmith**, an Elected Official of Lacasa Grande, gave a short presentation **EXHIBIT(jlh10a07)**. Questions were asked about the possibilities of buying the current water system and building a new one. Discussion followed.  
*{Tape : 4; Side : A; Approx. Time Counter : 9.3 - 17.3}*

**JOINT HEARING ON HB 11 AND HB 6 - TREASURE STATE ENDOWMENT  
PROGRAM & DEPARTMENT OF NATURAL RESOURCES, RENEWABLE RESOURCE  
GRANT APPLICATIONS - CLOSED**



**ADJOURNMENT**

**Adjournment: 12:00 P.M.**

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**REP. ERNEST BERGSAGEL, Chairman**

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**CASSANDRA DRYNAN, Secretary**

***EB/CD***

***EXHIBIT(jlh10aad)***